

FOREIGN POLICY REPORTS

July 15, 1941

CHINA'S NATIONAL FRONT Problems and Policies

BY T. A. BISSON

PUBLISHED TWICE A MONTH BY THE

Foreign Policy Association, Incorporated

MIDSTON HOUSE, 22 EAST 38th STREET, NEW YORK, N. Y.

VOLUME XVII NUMBER 9 *25¢ a copy \$5.00 a year*

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

China's National Front: Problems and Policies

BY T. A. BISSON

ON July 7, 1941 the Chinese people celebrated the fourth anniversary of their determined struggle against Japan's invasion. The fifth year of resistance has begun with China still undefeated. In a period of world conflict, with the strongest powers girded for war, this fact dominates the military picture in the Far East. It represents the most important obstacle to further Japanese expansion, as well as the greatest asset of the Western powers. Years of warfare in China have sapped the foundations of Japan's economy, while the vast effort required to hold far-flung lines from Mukden to Canton cripples Japan's military power in the present crisis. China's military achievement assumes greater significance as one considers the handicaps which have confronted the Chinese high command, and notes the swift collapse of European powers before Germany's armed might.

In the summer of 1937, at the outset of the second Sino-Japanese War, few observers dared predict that China's armies would hold the field for a period of years. The Chinese military forces were poorly armed and equipped; the strength of the naval and air arms, in particular, was virtually negligible. China's industrial base was undeveloped, and such industries as it did have were concentrated in coastal areas certain to be lost during the early stages of the war. Thus handicapped, China had to face a war machine equipped with tanks, planes and naval armament of modern, if not most up-to-date, manufacture. By all the accepted standards of military strength, Japan possessed an overwhelming advantage. It controlled the most powerful military-naval force in the Far East, backed by an industrial system many times stronger than that of China. Despite these military assets, Japan has not achieved its objectives in China. After four years of a conflict which has taxed Japan's resources as severely as the Russo-Japanese War of 1904-1905, Tokyo is still seeking a victorious termination of the "China incident."

Several factors account for China's successful resistance to the better equipped invaders. Its vast area and large population constitute natural advantages of great military importance. The general

configuration of Chinese territory—a great semi-circle of mountains from north to south enclosing the coastal plains—facilitated the strategy of a prolonged defensive war in which Japan's superiority in mechanized arms sharply declined as the mountain barrier was reached.¹ Large sections of the plains, moreover, have been retained by Chinese regulars in south and central China and by guerilla forces in the north, so that free China has continued to embrace at least half the country's total population. Natural advantages, however, do not automatically bring victories, especially when the war is fought under otherwise difficult conditions. Chinese successes are explained chiefly by changes within China itself. A new China, different in basic respects both from the "chaotic" country of the warlord era and from the decadent Empire of the last days of Manchu rule, was fighting the war.

China's ability to prolong its resistance and force Japan into a war of attrition was mainly due to the extraordinary degree of national unity established at the very outset of the conflict. This was a new and significant phenomenon in the country's modern history. In larger measure than ever before during the twentieth century the Chinese people felt and acted as a united nation. A strong public opinion, national in outlook and aim, had called a halt to civil strife and facilitated a series of political agreements that laid the basis for a common front against Japanese aggression. Political unity led, in turn, to the emergence of a united, although not an entirely unified, national army. The various units of this national army differed considerably in training, background and staff command. They were not a homogeneous product of the central government's training and staffing.²

1. Since October 1938, sixteen months after the war began, the Japanese forces have conquered little additional ground.

2. During the course of the war, however, they have become much more homogeneous, especially in the case of the former provincial armies. These provincials, notably the Kwangsi forces, have been shifted to different fronts in widely scattered areas; in addition, many provincial units have been increasingly staffed by central-trained officers or else reorganized by a new central staff into which the high provincial commanders have been merged.

FOREIGN POLICY REPORTS, VOLUME XVII, NUMBER 9, JULY 15, 1941

Published twice a month by the FOREIGN POLICY ASSOCIATION, Incorporated, 22 East 38th Street, New York, N. Y., U.S.A. FRANK ROSS MCCOY, *President*; WILLIAM T. STONE, *Vice President* and *Washington representative*; VERA MICHELES DEAN, *Editor and Research Director*; HELEN TERRY, *Assistant Editor*. *Research Associates*: T. A. BISSON, A. RANDLE ELLIOTT, LOUIS E. FRECHTLING, JAMES FREDERICK GREEN, HELEN H. MOORHEAD, DAVID H. POPPER, ONA K. D. RINGWOOD, JOHN C. DEWILDE. Subscription Rates: \$5.00 a year; to F.P.A. members \$3.00; single copies 25 cents. Entered as second-class matter on March 31, 1931 at the post office at New York, N. Y., under the Act of March 3, 1879.

Broadly speaking, the new national army was composed of three elements: central troops, provincial or regional troops, and Communist troops. The new and startling development is that by common agreement these forces have all acted since mid-1937 under authority of the National Military Council, headed by Generalissimo Chiang Kai-shek. Throughout four years of war, the defections of military commanders have been so few as to be almost negligible—an astounding fact in view of China's previous history of disunity during this century.

FORGING NATIONAL UNITY

Today, in retrospect, the extraordinary degree of Chinese political and military integration achieved during the year preceding the outbreak of war seems even more impressive than it was at the time.³ There can be no doubt that China's rapid progress toward unity helped to precipitate war in 1937. Japan struck in part because it feared the process of Chinese unification then under way; at the same time, it made perhaps a vital miscalculation by underestimating the lengths to which that process had already been carried. Only a few years earlier, even as late as 1935, an equally determined Japanese assault would have encountered a divided nation and might have achieved a speedy and decisive conquest.

Many influences contributed to the forging of Chinese unity after 1935. A partial list would include Chiang Kai-shek's stubborn persistence in driving toward centralization under the National Government; the Nanking government's fiscal and currency reforms, and its emphasis on communications, air-line, and highway and railway projects;⁴ the development of an aroused and active nationalist public opinion, stimulated in the first instance by the great student demonstrations of 1935-36; the stronger emphasis of Chinese Communist policy on formation of a national united front against Japan; and the gradual conversion of provincial and regional military leaders to a national stand, due mainly to these various influences and Japan's continued aggression. These diverse factors began to yield major results during the summer of 1936, when a process of formal political unification was begun, and operated with increasing speed and certainty up to the outbreak of war a year later.

A series of dramatic political episodes, beginning

3. For details, cf. T. A. Bisson, "Origins of Sino-Japanese Hostilities," *Foreign Policy Reports*, March 1, 1938, pp. 290-92; also *idem.*, *Japan In China* (New York, Macmillan, 1938), Chs. IV-V.

4. Notably the success in completing the Canton-Hankow Railway, a vital route for munitions imports during the first 16 months of the war.

with the Kwangsi-Kwangtung revolt in the south, marked this broad movement. The revolt had developed in the late spring of 1936, and was brought to a close in two stages. In July the armed forces of General Chen Chi-tang, ruler of Kwangtung, collapsed before a blow was struck, and the National Government extended its authority over that southern province. In September Chiang Kai-shek and the Kwangsi commanders, Li Tsung-jen and Pai Chung-hsi, reached a momentous agreement which averted civil war, convinced the Kwangsi leaders that Chiang was preparing to resist Japan, and laid the basis for later collaboration. The Sian *coup d'état* of December 1936, in which Marshal Chang Hsueh-liang and General Yang Hu-chen detained Generalissimo Chiang for a fortnight, started a new train of developments. Chiang's talks with the Communist leaders⁵ at Sian, during which the latter forbore to exploit the situation on the narrow plane of partisan advantage, convinced him apparently for the first time that Kuomintang-Communist cooperation could be re-established.⁶ Before this result was achieved, however, two further advances had been made. In June 1937 the Manchurian troops of Marshal Chang Hsueh-liang were reorganized and brought under direct authority of the central command, and in July-August the previously semi-independent Szechuan armies were subjected to the same control.

The scope of these moves gives the measure of their real importance. They affected extensive regions in the south, west and northwest where the National Government had generally exercised but nominal control since 1927. The cooperative relations established between the central authorities and the Kwangsi leaders—efficient administrators and able military commanders—were particularly significant. Szechuan province, virtually independent for a decade, was to form the central base for protracted resistance during the war. The remaining peripheral regions and leaders, in Yunnan province and in the north, felt the centripetal pull and became much more closely united with the center. One more step—a Kuomintang-Communist agreement—remained to be taken.

This step was but one aspect of the general process of national integration, but in many respects it was the most vital move of all—the key-

5. The Communist leaders had been invited down to Sian from north Shensi by Marshal Chang; they had neither planned the *coup d'état* nor participated in its execution. Chou En-lai conducted the important conversations at Sian.

6. Chinese Communist delegates, however, had opened negotiations with the Kuomintang before the Sian coup, in August 1936. Cf. *The Chinese Year Book, 1938-39* (Shanghai Commercial Press, 1939), p. 339.

stone of the arch. For the Kuomintang-Communist entente, officially established in August-September 1937, healed the breach between the two most influential parties in China—the only two, in fact, which mustered followings sufficiently large to count as national organizations. It bridged the gulf between left and right and ended a decade of bitter civil strife which, at its height in 1934-1935, had involved more than a million Chinese troops. All elements—conservative, liberal and radical—could now throw their energies into the common task of resisting Japan's invasion. Unity of this kind was more significant and more far-reaching, and imposed more searching tests on both sides, than previous agreements with various regional leaders. It was also capable, under favorable conditions, of unleashing sources of national strength that could be tapped in no other way.

Such conditions were most nearly realized in China during the first year of the war. For a nation hitherto divided and weak, and forced to accept a policy of humiliating compromise and non-resistance to Japanese aggression, the early months of united resistance were a revelation of new-found strength, despite the severe losses incurred. During the first days of August, military leaders from virtually every province visited Nanking and pledged support to the central authorities. The Chinese people were inspired alike by the heroic defense of Shanghai, where the crack central divisions and various provincial forces were engaged in an unequal struggle, and by the Eighth Route Army's first great victory at Pinghsing Pass in north Shansi, where two Japanese divisions were crushed.

Less dramatic, but even more revealing, developments were taking place in the political sphere. The Kuomintang began to modify its one-party dictatorship in a number of respects. Civil liberties were largely restored. Freedom of press, speech and assembly was extended to all parties and groups, including the Communists. Political prisoners, notably the liberal and left-wing victims of the civil war era, were being released. Toward the close of this first year the People's Political Council, an advisory organ giving representation for the first time to political minorities, was called into being at Hankow. In these and other respects, a new and more hopeful outlook for democratic progress was apparent. The national unity established at the top was beginning to reach out and embrace the people as a whole.

UNITY TESTED BY WAR

Long-continued Japanese aggression, actively pursued in China since 1931, was the strongest

single factor leading to the establishment of unity in 1937. With the outbreak of large-scale hostilities, the external pressure toward maintenance of unity was intensified. At the same time, the tests of war were certain to reveal all remaining weaknesses in the national front. China's ability to wage a protracted war of resistance, thus denying to Japan the expected rapid and decisive victory, was the best testimony to the cohesive strength of the new political ties formed in 1937. On the other hand, developments after 1938 indicated that serious weaknesses still existed in China's home front. Further advances were required to conserve the gains already won and assure ultimate victory in the war.

Unification in 1937 had rested on firmer foundations than the immediate exigencies of domestic and foreign affairs. Viewed broadly, it marked the culmination of a long process of social, political and economic development. China's painful adaptation to the Western world had extended back to the closing decades of the last century. Many historical strands had been woven into the new national fabric, ranging from adoption of the vernacular as a medium of written expression to an increasing competence in handling modern techniques as applied to industry, finance, and military science. Yet much of the old China survived, particularly in the ruling bureaucracy and the agrarian system of the interior, and still represented a formidable obstacle.⁷

Formal political unity had been established within the space of a single year. There was no reason to believe that definitive success had been attained with such unexampled rapidity. In certain crucial respects, notably in the sphere of Kuomintang-Communist relations, this unity was not organic, but rested on an agreement between independent political forces with widely different outlooks to cooperate toward a common end—defense of the country against aggression. Unity was not so much an accomplished fact, as a dynamic process which still had to be worked out in practice. To maintain the position already reached, further progress in the re-making of China's old institutions and in the application of new democratic processes, both in central and local government, had to be achieved. The path toward full consolidation of national unity was the path of change and development.

In this crucial field of domestic political action, the promise held out by the first year of the war was not fulfilled. The initiative displayed in creation of the People's Political Council was not

7. For illuminating analyses of these conditions, cf. Edgar Snow, *The Battle for Asia* (New York, Random House, 1941), pp. 206-15, 311-16, 359-70.

carried forward to more fundamental readjustments; the growing economic strain imposed by a war of attrition sharpened internal issues; and the Kuomintang settled back to a more rigid application of its prerogatives as the ruling party. Underlying dissension attained major proportions in two widely separate, yet related, spheres.

The defection of Wang Ching-wei, deputy leader of the Kuomintang, carried a small minority of defeatists over to the Japanese in 1938-39. Wang Ching-wei's immediate following was not large, and several of his adherents deserted him when the full extent of his capitulation to Japan became evident. The incident was significant, however, in at least two respects. It revealed the existence of a "pro-peace" wing at Chungking, not all of which was willing to go the lengths of Wang Ching-wei—but not therefore the less dangerous. It also indicated that the Chungking elements who were most anti-Communist, such as Wang's group, were those who were most anxious to stop the war. They saw clearly that a break in the Kuomintang-Communist front would go far to deliver China to a peace dictated on Japan's terms.

It is at this point that the greatest threat to Chinese unity has recently developed. Kuomintang-Communist relations, after some friction during the second year of the war, deteriorated seriously in 1939-40 and reached the stage of open conflict in 1940-41. By the spring of 1941, notably during early April, the continued deadlock over issues primarily affecting the New Fourth Army had created a major crisis, threatening recrudescence of large-scale civil war.⁸

Hardly less significant than the Kuomintang-Communist disputes were the rapid decline in tolerance and the extensive withdrawal of accepted democratic rights. The early days of enthusiastic united front cooperation at Hankow, and of new experiments in democratic reform, seemed to have entirely disappeared by the fourth year of the war. An accumulation of grievances and unsettled issues, some of them going back to 1939 and even 1938, had poisoned the atmosphere. Observers returning from Chungking, as well as from other areas in free China, reported that illiberal tendencies were in the ascendant, with repressive measures typical of the former era of rigid Kuomintang dictatorship being increasingly applied.⁹

Many factors contributed to the rise of a new intolerance in domestic affairs. During 1940 the strain of the long-continued hostilities markedly increased—in such respects as the closing of routes to the outside world,¹⁰ the slow arrival of substan-

tial military aid from the Western powers,¹¹ and the greater economic suffering caused by high prices of living necessities, especially food. The American \$50,000,000 loan to stabilize Chinese currency, announced on November 30, 1940, was not made available until April 25, 1941, when the formal agreement was signed; during the five months' interval, the inflationary problem had become much more acute.¹² Widespread hoarding and food profiteering forced Generalissimo Chiang Kai-shek to place his sanction behind drastic measures directed against food speculators.¹³ No action was taken, however, to deal with the extensive flight of Chinese capital, an integral aspect of the inflationary crisis.¹⁴ Growing economic privation, as well as other strains accompanying the war, tended to sharpen the existing political antagonisms, and to foster a greater degree of repression directed against non-Kuomintang minorities.

Repression has struck impartially at liberals and leftists; in the sphere of civil liberties, the liberals have in fact been the major targets of attack.¹⁵ The outstanding case of recent months has been the summary imprisonment of Dr. Ma Ying-chu, head of the College of Commerce of Chungking University, an economist with a reputation in his own country comparable to that of Dr. Keynes in England. He was arrested on December 8, 1940 for making public the foreign currency holdings of a number of rich officials and advocating methods to utilize such funds in the national emergency, and for proposing radical measures to counteract the rise in food prices. Censorship has become much more strict, and outright suppression of periodicals frequent.¹⁶ Forty bookshops of the

10. The Burma Road was reopened in October 1940 but not the Indo-China railway, which had carried three times as much traffic.

11. The first considerable amounts of American munitions reached China in the spring of 1941.

12. *The New York Times*, April 26-27, 1941. A British loan for £5,000,000 was signed at the same time, the Chinese government contributed \$10,000,000, and something remained of the former stabilization fund—thus making available nearly \$100,000,000 to the new combined Anglo-American-Chinese stabilization fund.

13. *Ibid.*, September 12, 1940. Yang Chuan-yu, a leading banker and former mayor of Chengtu, was executed on December 24 on conviction of profiteering in hoarded rice. *Ibid.*, December 27, 1940.

14. Maintenance of the exchange markets at Shanghai and Hongkong has permitted transfer of large banker holdings of Chinese national dollars (*the fapi*) into foreign currencies. No attempt to recapture use of these private holdings has been made. The new joint stabilization committee, it is thought, will now place restrictions on the Shanghai and Hongkong markets.

15. For details, see *The Christian Science Monitor*, March 29, May 22, 1941; *China Defence League Newsletter* (Hongkong, China Defence League), April 1, 1941, pp. 2-3.

16. Notable periodicals which have been suppressed include *Youth in Wartime*, whose editor, Chen Tai-kung, has disappeared, and *Mass Resistance*, whose editor, Chou Tao-feng, fled to Hongkong in March 1941.

8. For detailed analysis of these events, see pp. 119-22.

9. Hugh Deane, "Political Reaction in Kuomintang China," *Amerasia*, July 1941, pp. 209-14.

Life Publishing Company, organ of the liberal National Salvation Association, have been closed: During 1941 hundreds of liberals and Communists have been arrested, and scores executed. The *New China Daily*, official Communist newspaper organ in Chungking, has been reduced at times to a single sheet by drastic censorship rulings. Eighth Route Army offices in Kweilin and Kweiyang, maintained for the purchase of munitions, have been closed and the eight staff members in Kweiyang arrested.

These changes in the political "climate" of free China suggested that the Kuomintang was acting not only against the Communists, but was also intent on suppressing all minority opposition. The extensive withdrawal of civil liberties was in striking contrast to the 1937-38 period, when the contribution of all groups to the war effort was freely accepted. A return to united prosecution of the war requires solution of this broader problem, as well as settlement of the specific Kuomintang-Communist issues, which must now be considered.

THE ENTENTE OF 1937

Since the reestablishment of cooperation in 1937, Kuomintang-Communist relations have lacked an exact, or even a reasonably complete, definition of the terms on which they are based. During the course of the 1937 negotiations both sides agreed on a number of fundamental points, which were carried into effect in August and September, that is, at the outset of the war. Yet no one document, specifying the full details of this agreement and officially accepted by both sides, has ever been made public. Such a document probably does not exist. Full details of the understanding reached in 1937 are buried in the records or minutes that were kept by the parties to the negotiations, which extended over a period of some twelve months, or in the memories of the negotiators themselves. As a result, interpretations of the rights and obligations of both parties to the agreement have often differed, and a wide area of controversy has developed.

The Kuomintang, for example, has never adopted the term "united front," commonly used by the Communist leaders to describe the relations between the two parties. In private — although not officially — Kuomintang leaders sometimes claim that the Communists merely "surrendered" in 1937, thus denying that any agreement was ever negotiated on a basis of equality. This dispute over terminology is not merely academic. It reveals what may be regarded as the central issue of political rivalry and of the struggle for power. In view of its background and present position, the

Kuomintang is unwilling to concede even a nominal status of equality to any other party.

The Kuomintang, or Nationalist party, has a long history, going back to the early days of Sun Yat-sen's revolutionary activities against the Manchu Dynasty. As it rose to power, it attracted most of the leading political and military figures of China. Its former uncompromising opponents, notably warlords like Wu Pei-fu, Chang Tso-lin and Sun Chuan-fang, were eliminated from the Chinese political scene. Today the Kuomintang is at once a political party, in the strict meaning of the term, and a broad coalition of most of China's political and military leaders. In the narrower sense, the Kuomintang's day-to-day activities are controlled by the party's political machine, which is now largely dominated by Chen Li-fu, present Minister of Education. General Chiang Kai-shek was himself made *Tsung-ts'ai*, or [Party] Chief, of the Kuomintang early in 1938, thus adding supreme political authority to his supreme military power; at this time, also, Wang Ching-wei was made deputy *Tsung-ts'ai*. In the broader sense, the Kuomintang is a representative coalition which today includes virtually all the regional leaders who had disputed Chiang Kai-shek's hegemony in the 1927-37 decade. Many of these, such as the Kwangsi leaders, Li Tsung-jen and Pai Chung-hsi, or the Shansi governor, Yen Hsi-shan, were Kuomintang veterans. For them the formation of the national front in 1937 meant no more than a return to the Kuomintang fold, albeit under General Chiang Kai-shek's leadership, so that the transition was relatively easy. Feng Yu-hsiang, who had joined the Kuomintang somewhat later, during the 1924-27 era, was in much the same position. The return of these leaders to a working relationship with the Kuomintang reinforced its claim to full national authority.

Since 1927, moreover, the Kuomintang, or the Nanking government formed by it, had controlled the national administration. It had conducted foreign relations, and determined the broad lines of development in domestic affairs. For a decade it had shouldered the responsibilities of office. The Kuomintang alone was responsible for the successes achieved or the failures suffered. Under its aegis formal national unity had been attained in 1937. Given its history and position, the Kuomintang naturally considered itself the embodiment of central authority in China. The Kuomintang leadership, therefore, viewed the "united front" agreement of 1937 almost solely as a recognition of that central authority by the Communist leaders. It regarded the maintenance of any degree of independent authority by the Communists as detri-

mental to national unity. In reality, however, the Communists did retain under the agreement a considerable measure of independent power, which they refused to surrender. Political rivalry, which thus continued to exist, made it difficult to proceed beyond *ad hoc* measures of cooperation.

While formal documentary basis for the Kuomintang-Communist entente is inadequate, it is not entirely lacking. Official proposals by the Chinese Communist party and counter-proposals by the Kuomintang, exchanged in February 1937, initiated the final stage of the negotiations.¹⁷ These negotiations were completed, and war had already broken out, before further public statements appeared. On September 22, 1937 the Communist party issued an official declaration relating to the terms of the agreement, to which General Chiang Kai-shek responded by a formal statement on the following day.¹⁸

These statements officially sanctioned two steps which, by that time, had already occurred—namely, formal recognition of the National Government's political authority in the former Soviet areas, and reorganization of the Communist military forces as a unit of the national army, headed by its former commanders but acting under central military authority. Both statements affirmed the necessity of a national struggle "for the realization of Sun Yat-sen's revolutionary principles." On the other hand, the Communist declaration laid stress on the establishment of a nation-wide democratic government through a Constitution drafted and promulgated by an elected National Congress, the adoption of a minimum program for improvement of the living standards of the masses, and the immediate realization of full civil liberties. General Chiang Kai-shek's statement did not refer to these points in the Communist declaration, although it welcomed the latter's disavowal of "the policies of insurrection and Communist propaganda." It would appear that the positive suggestions in the Communist declaration embraced demands not wholly accepted by the Kuomintang in the course of the negotiations, but which the Communist leaders hoped to secure during the war. Except for the partial grant of civil liberties,¹⁹ none of these demands has yet been realized.

PATHS TOWARD NATIONAL INTEGRATION

While the official statements of September 22-23, 1937 registered agreement on the essential minima

17. *The Chinese Year Book*, 1938-39, cited, pp. 339-40.

18. *Ibid.*, p. 340.

19. Many political prisoners were released in 1937, but the Communists claim that in a number of provinces such prisoners were never freed. Political arrests, moreover, have continued sporadically throughout the war. The Communist party has never been accorded full legal status.

of cooperative action, they left unsettled a number of basic questions, particularly in the field of national politics. Except for mutual recognition of Sun Yat-sen's principles, they provided no common platform as to national policy. Even more important, they offered no provision for reaching agreement on issues of national policy. Nothing was indicated with respect to questions of procedure, as between the Communist party, on the one hand, and the Kuomintang or the central government on the other. In order to secure unified action, how were such relations to be conducted? Three main lines of approach to this problem of national integration might be followed: establishment of representative government, adoption of some type of working unity between the Kuomintang and Communist parties, or an effective association of the Communist leaders with the central government.

Introduction of Democracy. Replacement of the existing one-party Kuomintang dictatorship by a fully representative government offered the most radical, as well as the most comprehensive, approach to the problem of integrating Kuomintang-Communist relations on a national scale. Under such conditions, the Communist party would have direct representation in local and national assemblies, where it would in most cases form a minority opposition to the Kuomintang majority. According to the principles bequeathed by Sun Yat-sen, the Kuomintang is committed to the inauguration of a constitutional régime following the period of "political tutelage." Prior to the outbreak of war, considerable progress toward this end had already been achieved.²⁰ A Constitution had been drafted, passed through several revisions, and finally approved by the central authorities. Delegates to a National Assembly, which was to adopt and promulgate the new Constitution, had been chosen. This Assembly had been scheduled to meet in November 1937, but was postponed when the war broke out.

With formation of the Kuomintang-Communist entente, new issues were injected into the constitutional problem. The draft Constitution was a purely Kuomintang creation, and the delegates to the Assembly had been chosen by the Kuomintang. During the course of the "united front" negotiations, the Communist leaders had proposed that a new Assembly be elected on a national basis, with all parties and groups free to vote for the delegates. The Kuomintang rejected this proposal. Later the Kuomintang decided that the original Assembly, as chosen in 1936, should meet to promulgate

20. Paul M. A. Linebarger, *The China of Chiang Kai-shek* (Boston, World Peace Foundation, 1941), pp. 21-40, and Appendix I.

the new Constitution on November 12, 1940. Shortly before this date, however, on September 25, 1940, it was officially announced at Chungking that the meeting of the Assembly would again be postponed, either because of wartime difficulties or possibly to allow for a revision of the Assembly's membership.²¹

Although the Kuomintang has not established representative government, it made a partial advance in July 1938 by inaugurating the People's Political Council.²² The 200 members of the first Council²³ were nominated by various local party and government organs and appointed by the Central Executive Committee of the Kuomintang, which also designated the Council's speaker and vice-speaker. About one-third of the Councillors were members of the Kuomintang, while more than half had no party affiliation; five were members of the Chinese Communist party, and six of two minor parties. The Council's powers are mainly advisory, including the rights of discussion, interpellation and suggestion, but its considerable non-Kuomintang representation has given it the character and influence of an embryonic national legislature. The Communist party vigorously supported the activities of the first Council, which held five sessions during the 1938-40 period. In view of the limited powers of the Council, however, it provided no answer to the major problem of Kuomintang-Communist cooperation in the national field.

Inter-Party Agencies. A second avenue of approach toward functional unity lay in the establishment of some form of direct inter-party liaison. Since both parties were all-powerful in their respective spheres, this was obviously the most logical method of cooperation. During the "united front" negotiations of 1937, in fact, it had been agreed that a joint committee of the two parties should be formed. After a year's delay such a committee, including four representatives from each party, was finally assembled at Hankow in 1938 and held several meetings. Some progress was apparently made in drafting a national program for the wartime emergency, but acute differences arose when means of improving relations between the parties came to be discussed. Eventually the Kuomintang representatives advanced the proposal that the Communist party should be dissolved and its membership incorporated in the Kuomintang. The natural result of such a proposal was to break

up the committee, which has not met again since the Hankow period.

Before this event occurred, the problem of Kuomintang-Communist relations had aroused considerable attention, while Mao Tse-tung, leader of the Chinese Communist party, had formally expressed his party's attitude toward the question in a general report on the war delivered October 12, 1938.²⁴ Stressing the necessity for all parties to maintain their individual identities, to strengthen and improve their work, and to cease mutually destructive activities in the interest of long-term unity both during and after the war, he made two concrete proposals to the Kuomintang. According to the first proposal, the Communist party would permit its members to join the Kuomintang, would provide the latter with a full list of such members, and would agree not to allow Kuomintang members to join its party. All other parties should join the Kuomintang on similar terms. This comprehensive type of organizational unity, which would enable a nationally representative Kuomintang Central Executive Committee to be established, was in Mao's opinion "the best form of organization for the United Front."

The second proposal would set up a National Alliance of all parties supporting Generalissimo Chiang Kai-shek as its leader. The Alliance would form a new Central Executive Committee, as well as local committees, with all parties represented. Under either of these proposals the Kuomintang would have partially relinquished its monopoly of political power, sharing authority to some degree with the other parties, although it would have still retained a dominant position. Without some attempt to achieve greater political integration along these lines, Mao feared that the existing "loosely organized system," in which there was no previous agreement on policy and inter-party questions were solved as they appeared, would continue to prevent the "correct timely solution" of many issues. In fact, no such attempt was made. Efforts to secure inter-party cooperation met with increasing obstacles after 1938, giving way to growing tension and multiplied instances of serious friction.

Posts in Central Government. Effective coordination of Kuomintang-Communist policy might also have been secured by a third method: employment of Communist leaders in responsible posts in the central government. This approach was adopted in but two instances, and then very tentatively. Early in 1938 Chou En-lai, the Communist liaison representative at Chungking, was appointed vice-

21. *Far East Bulletin* (Hongkong), October 1, 1940, pp. 5-6; March 1, 1941, pp. 1-4.

22. *The Chinese Year Book, 1938-39*, cited, pp. 346-55; *Far East Bulletin*, cited, April 15, 1940, pp. 4-5.

23. A second Council, with slightly enlarged membership, has since been formed. See pp. 121-22.

24. Mao Tse-tung, *The New Stage* (Chungking, New China Information Committee), Section V, pp. 50-59.

director of the Political Training Board of the National Military Council. His administrative duties, however, were concerned with one of the Board's less important bureaus, the budget for which was reduced from an expected 800,000 to 60,000 Chinese dollars monthly. After the Changsha fire in October 1938, from which Chou barely escaped with his life, the bureau's staff disintegrated; in all, little more than a few of its staff salaries had been paid. Chou En-lai has since resigned the post. In the other case General Yeh Chien-ying, former Chief-of-Staff of the Communist army, was made adviser to a central training school in guerrilla warfare for a brief period.

At no time since the outbreak of war in 1937 have the Communist leaders been represented on any of the high government councils. They have no member, for example, on the National Military Council, the supreme military organ which constitutes the Chinese high command.²⁵ This omission stands in marked contrast to the positions held on this Council by the Kwangsi leaders, Li Tsung-jen and Pai Chung-hsi, whose administrative efficiency and military ability made them, together with the Communists, the most important of the new elements brought into the national front in 1937. Li Tsung-jen is now one of the seven members of the National Military Council, the chairman of which is General Chiang Kai-shek. Pai Chung-hsi holds two of the major administrative posts on the Council. He is one of the two deputy chiefs of the General Staff, the chief-of-staff being General Ho Ying-chin, and is also director of the Military Training Board. It should be noted that the Communist military commanders, although not represented on the Council, are subject to its orders. In the past, when new operating areas were being assigned to the Communist military forces or other orders transmitted, General Chiang Kai-shek has usually consulted directly with Chou En-lai. Unless there is genuine consultation at this point, Chou merely receives decisions in the formation of which he has had no voice.

The failure, thus far, to secure any large measure of Kuomintang-Communist unity at the center, either through party or government channels, has seriously hampered the prosecution of the war and jeopardized the maintenance of the national front. Effective coordination of either long-range policy or day-to-day activity is rendered difficult. The consultations of Chou En-lai, or other Communist liaison representatives at Chungking, with central government officials are held irregularly, as questions arise; issues have thus

often become acute, or even irremediable, before they are considered by the responsible authorities. Broader problems are involved, however, than those of practical administrative expediency. The Communist leaders, virtually deprived of representation in the central organs of government, both political and military, are nevertheless expected to abide loyally by the orders of these organs. Unless such orders are uniformly just and impartial, the Communist leaders are inclined to maintain autonomous control of the regions where their armies are operating, as protection against commands that might appear to them seriously prejudicial or even suicidal. Despite the working cooperation which has normally obtained, a genuinely unified high command has not been created.

Behind all these issues lies a sharp and persistent struggle for political power. The Kuomintang is primarily concerned over the fact that the Communist party insists on the maintenance of its separate existence and its independent local authority. Li Tsung-jen and Pai Chung-hsi, after all, are members of the Kuomintang and exert a diminishing independent local authority in Kwangsi province, their former stronghold. Even partial admission of the Communists to a share in the central government, the Kuomintang holds, would entrench a political rival, already exercising wide regional powers, in the national administration.

LOCAL AND REGIONAL ISSUES

The critical issues in Kuomintang-Communist relations have arisen in the local areas where Communist military units were operating rather than in the field of central administration. Matters affecting the central government were concerned chiefly with possibilities of developing fuller working unity. Failure to develop these possibilities had significant effects, as already indicated, but since the Communist leaders were disinclined to force the pace, few specific controversies arose. In the sphere of local or regional affairs, however, a complex set of concrete issues emerged at an early stage of the war.

These local issues were caused in part by the failure, previously noted, to define the terms of the 1937 "united front" agreement. Even more, perhaps, they were due to the fundamental character of that agreement, and to problems inevitably created as Communist or Communist-directed military units occupied and organized a continuously expanding territory.

The agreement of 1937 was essentially a compromise, accepted by two previously separate and independent political forces, which established a practical basis of cooperation but did not wholly

25. For list of members, see *The Chinese Year Book, 1940-41*, cited, Appendix II, p. 783.

remove the former separatism. On the Communist side, the major concession involved formal recognition of the National Government's political and military authority. The former Soviet representative institutions in the Shensi-Kansu-Ninghsia Border Region were replaced by a newly elected government, while the former Red Army became a unit of the national army. In return, however, the Communist leaders were accorded actual political control within the Border Region, and retained the right to nominate the officers who led their troops. The National Government did not supplant the officials in the Border Region by its own appointees, nor did it send in new central officers to the Communist armies. The officers of the Eighth Route Army (technically, the 18th Group Army) were gazetted by General Chiang Kai-shek, as chairman of the National Military Council, but Generals Chu Teh and Peng Teh-huai, appointed the Eighth Army's commander and vice-commander respectively, were leaders of the former Red Army. This compromise, representing the only practical basis on which to achieve cooperation, did not amount to full national integration. The gap left open by failure to establish greater unity at the center was widened by the development of acute regional difficulties.

These difficulties were specifically concerned with military affairs, although they also had important political, social and economic ramifications. A baffling dilemma, not immediately apparent at the outset of the war but gradually developing in connection with the military operations conducted by Communist units of the national army, lies at the root of current Kuomintang-Communist differences.

This dilemma can be stated in simple terms. The military task assigned to the Eighth Route Army, and later to the New Fourth Army, was that of occupying and organizing territory lying behind and between Japanese lines. The more territory thus occupied and organized, the more successfully was the military assignment fulfilled. Before long, however, political considerations began to impinge on this military operation. To the Kuomintang, and especially to its conservative elements, the most impressive fact was that the Communist units of the army were steadily enlarging the territory under their control. Meanwhile, the Eighth Route and New Fourth Armies, as well as the guerrilla troops under Communist direction, were also increasing in numbers. To objections raised on this score, the Communist leaders answered that new regions into which they penetrated had been officially assigned them as operating areas by the central military authorities, the territories

occupied were being won back from the Japanese, and only a fraction of the costs of the Communist armies, wholly aside from the guerrilla forces which were locally supported, was supplied by the central treasury. These arguments, however, did not meet the political issue. Bulking largest in the minds of Kuomintang leaders, notably those who held anti-Communist views, was the fact that the Communist forces, and the guerrilla units under their direction, were growing larger and occupying more and more territory. They did not approve of this development, and sought means to curb it.

Guerrilla Base Organization. The dilemma was accentuated by certain characteristic features of the guerrilla bases established in localities where Communist units operated. Much of the Eighth Route Army's military success depended on the complex technical organization of these bases, involving political and economic changes which led to greater popular participation in the war effort. During the initial stages of organization, the discipline and conduct of Eighth Army troops won the confidence of the local population; later, these good relations were cemented by a broad program of practical reforms, including the creation of new elective organs of government, allowing representation of all classes, and extension of moderate economic benefits to the poorer peasantry through reduction of land rents, limitations on usurious money-lending, and a system of economic control designed to minimize the hazards of guerrilla warfare.²⁶

This form of guerrilla organization created two further problems in Kuomintang-Communist relations. The first was essentially a conflict of policy on agrarian questions. The limited program of political and economic reform applied in the guerrilla areas, explicitly sanctioned by Sun Yat-sen's principles,²⁷ was far ahead of developments in most other regions of China. This program involved a challenge to the traditional rule of landlords, merchants and officials in the countryside. To the extent that these groups are represented in the Kuomintang—which is fairly considerable—the reforms in the guerrilla localities tended to arouse opposition at Chungking. The reforms were opposed not on their merits, but on the score of the

26. There is no space in this report for detailed analysis of these reforms. For references, see George E. Taylor, *The Struggle for North China* (New York, Institute of Pacific Relations, Inquiry Series, 1940), pp. 96-117, 171-76; Major Evans F. Carlson, *Twin Stars of China* (New York, Dodd, Mead, 1940), Ch. VIII; Hal-dore Hanson, "Humane Endeavor"—*The Story of the China War* (New York, Farrar and Rinehart, 1939), Section VI; Snow, *The Battle for Asia*, cited, pp. 342-70.

27. Notably Sun Yat-sen's third principle of the "people's livelihood," which was written into specific programs adopted by the Kuomintang, including the draft Constitution.

legality of the new local governments set up in the guerrilla areas, i.e., whether their establishment was officially approved by the central authorities.²⁸

The second problem is associated with the military organization and functions of these guerrilla bases. They form an indispensable adjunct of the military operations conducted by the Communist units and their partisan allies. The organization of guerrilla bases, in which the army and the people are welded into a single unit, is painstakingly constructed from village to village; once it is effectively completed, nothing short of total extermination of the local population can destroy its capacity to offer resistance.²⁹ In North China, since 1938, this organization has turned the Japanese-occupied strategic inner communication lines, supposedly dominating the interior, into outer lines, which must be defended at great cost against the powerful pressure continuously applied by the surrounding guerrilla bases.³⁰ It forces the Japanese to bring in more and more divisions to hold the positions already won, and thus contributes materially to the defense of the whole North China region. The inability of Japanese troops to pass beyond the strategic province of Shansi to an invasion of the northwest is due mainly to an effective combination of frontal resistance by Kuomintang regulars and of pressure exerted by the Eighth Route Army and its guerrilla forces on Japanese communication lines.³¹

This specialized guerrilla organization creates a peculiar issue in military administration. Unlike regular troops, guerrilla units cannot be easily shifted from one section of the country to another. They are indissolubly wedded to their locality by a long process of growth and adaptation. Most of the lower officers in the guerrilla forces have been recruited locally, their families reside in the area, and their special knowledge of the terrain contributes to operational efficiency. Their cooperation may have been given as a result of the reforms instituted by the new local governments. Transfer of such military units to another front shatters the whole complex organization of the guerrilla base which may have been slowly built up over a period of years. Nor can regular troops

of another command, untrained in the special techniques of guerrilla warfare, step in and piece together the broken links of the old organization. Especially is this the case if the new commanders are out of sympathy with the basic principles of organization previously applied in the area.

The unique problem thus presented to the Chinese high command is further complicated by the fact that the most efficient exponents of the new pattern of warfare are mainly associated with the Communist units. A political issue is thereby injected into a command problem. The Kuomintang sees a political rival entrenching itself in the guerrilla bases, while the Communist leaders fear an order for a military shift that will destroy their guerrilla organizations. In the case of ordinary regular units, even those that were formerly provincials, shifts to various fronts can be made much more easily. The outstanding example is that of the regular troops of the Kwangsi leaders, Li Tsung-jen and Pai Chung-hsi, which, as the result of a continuous series of transfers, have operated in half or more of the Chinese provinces, both south and north, since 1937.

The basic Kuomintang-Communist regional issues here outlined have developed in three different localities: the Shensi-Kansu-Ninghsia Border Region, the Eighth Route Army guerrilla areas in North China, and the lower Yangtze Valley base developed by the New Fourth Army. While the issues presented by the two latter are in most respects of a similar character, the Border Region in the northwest raises certain special problems.

THE SHENSI-KANSU-NINGHSIA BORDER REGION

This area, comprising twenty-three *hsien*, or districts,³² was the region in which the Red Army units finally located after the "Long March" from south and central China via the Tibetan borderlands in 1934-36. It is a poor and sparsely settled territory, with a population of about two million. Since the outbreak of war with Japan in 1937, it has constituted the Eighth Route Army's rear, in terms of the far-flung Communist military operations which fan out eastward through Shansi and Hopei to the Shantung coast and north into Inner Mongolia. Here, at Yen-an, are located the administrative, educational and medical centers of the Communist war effort. Each year thousands of trained officers and guerrilla organizers are graduated from its famous *K'ang Jih Ta Hsueh*, or "Resist-Japan University." Although Japanese bombings have razed the city to the ground, Yen-an and its institutions have literally dug themselves into loess caves in the surrounding hills, both for

28. Their legal status is in some cases fairly clear, in others a subject of controversy. See pp. 117-18.

29. Japanese punitive expeditions, unless accompanied by permanent garrisoning at the expense of vast numbers of troops, are ineffective against this type of defense.

30. See Snow, *The Battle for Asia*, cited, pp. 342-48. Borrowing a technical Chinese Communist term, Snow calls this military pattern one of "total-mass protracted resistance." Deep trenches along North China's railway lines, the multiplication of pillboxes, the increased Japanese garrisons, etc., bear witness to the "besieging of the besiegers."

31. The existence of the guerrilla bases also prevents Japan from exploiting the economic resources of the interior.

32. Considerably larger than our counties, with which they may be compared.

working and residence purposes. The population of the Border Region is small, but it has been intensively mobilized for war. When the new elective bodies assembled early in 1938, it was found that half the representatives had already left for active service at the front.³³

The Communist leaders have been forced to cope with considerable Kuomintang opposition to the existence of the Border Region, despite the territory's vital strategic importance as the administrative base and military rear of the Eighth Army. Challenges have come on two fronts—political and military.

The "united front" agreement of 1937 apparently specified that the Border Region Government, after the new elections had taken place, should have full legal status. Like the compromise in military affairs, this meant essentially that the central government, with its political supremacy formally recognized, would not interfere with the locally elected authorities. As on many other issues affecting the 1937 agreement, no documentary evidence was available. It would appear, however, that in such a vital matter the Communist leaders would have insisted on an agreement concerning recognition of the local officials. This presumption is placed beyond doubt by the fact that the Executive Yuan,³⁴ at its 333rd session, approved a measure establishing the legal status of the Border Region, although later the measure was never officially promulgated. Candidates for the Border Region officials suggested by the Communist leaders had even been agreed upon, but opposition within the central government forced a delay in their formal approval. Following this postponement, the Kuomintang provincial authorities in the northwest sent a number of officials of their own choice into the Border Region. For nearly two years there were duplicate *hsien* magistrates in a number of the Border Region's districts. When it proved impossible to tolerate the resulting friction any longer, the Communist leaders vigorously protested, and in the spring of 1940 the central government finally ordered withdrawal of the provincial appointees. The basic legal question affecting the Border Region's political status, however, remains unsettled.

A more serious challenge to the security of the Border Region developed in the military sphere. During the last six months of 1939, five of the 23 districts of the Border Region were successively

occupied by central government troops. After a number of severe clashes, the Eighth Route Army leaders finally withdrew all units from these districts, and appealed to General Chiang Kai-shek.³⁵ Although the latter called a halt to further attacks on the Border Region by central troops, the five districts in question were not restored until late in 1940.³⁶ The attitude of the central authorities has been revealed even more clearly by a recent move—the construction of several concentric lines of blockhouses along the western and southern frontiers of the Border Region. These fortified lines, hemming in the Eighth Route Army except for the outlet toward the Japanese-occupied North China areas, are manned by 200,000 of the most heavily mechanized central troops under command of General Hu Tsung-nan, one of the active anti-Communist leaders in the pre-1937 period.³⁷ This measure not only immobilizes a large force of efficient central troops, so far as use against the Japanese is concerned, but represents a constant threat to the Eighth Route Army's rear, although the Communist units are expected to continue performing their assigned military tasks in Shansi and other North China provinces. Under such conditions, the Eighth Army is forced to hold some forces in the Border Region to guard against a surprise attack on its rear.

THE EIGHTH ARMY'S GUERRILLA BASES

As a result of its military and organizational operations since 1937, the Eighth Route Army has carved a series of guerrilla bases out of nominally Japanese-occupied territory in the North China provinces. These bases, usually reckoned as seven or eight in number, are located between the railway lines in sections of Shansi, Hopei, Chahar, Suiyuan, Honan and Shantung provinces. The Shansi-Hopei-Chahar base, the first to be organized and the model for the others, covers some 60 districts with about 14 million inhabitants.³⁸ The Shansi-Hopei-Honan base, farther to the south, includes about 70 districts with possibly 12 million people.³⁹ The total population of all the North

33. Snow, *The Battle for Asia*, cited, p. 319; for details, pp. 266-91, 317-34; see also Carlson, *Twin Stars of China*, cited, Ch. V.

34. One of five main branches of the Chinese government; the head of the Executive Yuan is analogous to the Premier in Western governments.

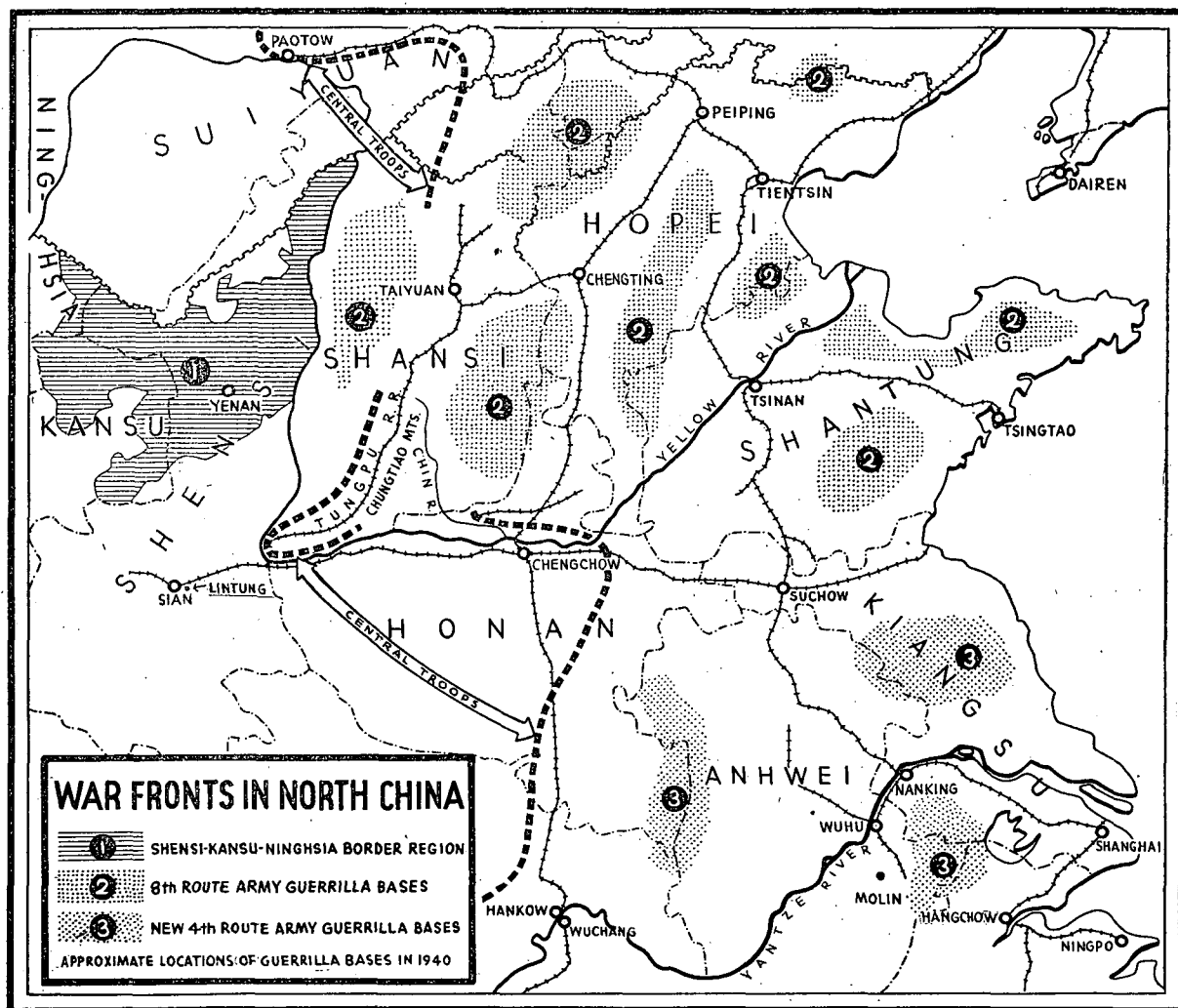
35. See "An Appeal to Generalissimo Chiang Kai-shek," signed by the ranking commanders of the Eighth Route Army, in *Friction Aids Japan: Documents Concerning Instances of Friction, 1939-1940* (Chungking, New China Information Committee, 1940), Bulletin No. 14, pp. 23-25; also Snow, *The Battle for Asia*, cited, p. 354.

36. They were apparently returned that fall or summer. See *New China News* (Yenan), October 27, 1940.

37. *New York Herald Tribune*, January 7, 1941; *Christian Science Monitor*, May 22, 1941.

38. Taylor, *The Struggle for North China*, cited, p. 38; *The Chinese Year Book, 1938-39*, cited, pp. 254-60; *Far East Bulletin*, July 15, 1940, pp. 1-4.

39. For a detailed picture of this guerrilla base, see *The Shansi-Hopei-Honan Border Region* (Chungking, New China Information Committee, 1940), Bulletin No. 15.



China guerrilla bases is difficult to estimate, but must run close to 50 million. The partisan troops of these bases, forming local self-defense corps and constituting the active reserve, number at least 500,000, apart from the regular divisions of the Eighth Route Army. While the latter has received central financial support for only three divisions, counted as 45,000 men, estimates indicate that its actual strength is approximately 260,000.⁴⁰ Much of the rifles and other equipment for these forces, which are inadequately armed even in comparison with other Chinese units, have been captured from the Japanese; the central authorities have supplied no munitions, clothing or medical equipment.

Two political issues have arisen in connection with the North China bases of the Eighth Route Army. The first concerns the legitimacy of the Eighth Army's presence in these territories. The Communist leaders claim that the Eighth Army has received operating assignments from the central military authorities to all the areas in which

it is engaged. The assignment for operations in Shantung province, the furthest removed from the Border Region, was originally made by General Chiang Kai-shek in February 1938, when the battle for Hsüchow was in progress.⁴¹ As these claims have never been officially disputed, they may be considered well established. Since 1940, nevertheless, the central military authorities have persistently sought to reduce these operating areas.

Controversy has also developed over the legality of the new local governments set up in the various guerrilla bases. These are typically "united front" governments, with a minority of Communist officials in each case. The first to be formed—the Shansi-Hopei-Chahar base—has a clear legal title. Early in 1938 General Chiang Kai-shek approved its local government, and the confirmation of the Executive Yuan was also obtained.⁴² Its original governing committee, elected by a representative

41. See General Peng Teh-huai, *Unity and the Defense of North China* (Chungking, New China Information Committee, 1940), Bulletin No. 13, p. 31.

42. Taylor, *The Struggle for North China*, cited, p. 35.

40. This is Snow's estimate; see *The Battle for Asia*, cited, p. 340.

assembly of 148 members chosen from 39 districts, consisted of nine men. Of these, two (including the chairman) were non-party men, one was a Kuomintang representative, four were from Yen Hsi-shan's local Shansi party, and only two were Communists.⁴³ In the case of the governing institutions set up in the other half-dozen North China bases, however, it is doubtful whether the official *imprimatur* of the central authorities has ever been given. United front governments have been established, usually under electoral procedures that are the most democratic in China; many of the *hsien* magistrates, traditionally central appointees, are elected by the people in the bases. The reductions in land rents and the prohibition of usury, generally enforced by these guerrilla governments, are in sharp contrast to agrarian conditions in most other sections of China. They serve to stimulate popular initiative and to call forth a larger degree of energy and enthusiasm in prosecuting the war.⁴⁴

The history of the guerrilla bases is overshadowed by the severe internal conflicts which have centered around them. In 1939 influential Kuomintang leaders adopted a program entitled "Procedure for Curbing the Activity of Alien Parties" under which instructions sent out to local military officers and political authorities gave rise to a long series of incidents, involving the arrest and execution of Communists and attacks on Communist military units. General Chiang Kai-shek denied that he had endorsed this program when it was shown to him, but the incidents continued.⁴⁵

In North China the most serious conflicts have often been caused by minor commanders of forces on the outskirts of the guerrilla bases, some of which, notably General Shih Yu-san, were persistently cited before the central military authorities by the Eighth Route commanders for treasonable communication with the enemy.⁴⁶ Lesser incidents of police and secret service suppression, and even of executions, aided and abetted by the authorities in the provinces surrounding the North China bases, occurred almost continuously during and after 1938. Referring mainly to such cases,

43. *Ibid.*, pp. 37-38.

44. The greater part of rural China is today organized on the *pao-chia* system which, by exacting group responsibility for the actions of individuals, exerts an oppressive influence. There are also numerous *min-t'uan* (rural militia), as well as other pacification forces, to support the status quo in agrarian relations. All told, these forces are estimated at 2,000,000 men—or enough to put an additional army in the field against Japan. Cf. Snow, *The Battle for Asia*, cited, p. 179.

45. See statements by General Peng Teh-huai, vice-commander of the Eighth Route Army, in *Friction Aids Japan*, cited, pp. 19-20; also Snow, *The Battle for Asia*, cited, pp. 353-54.

46. Shih Yu-san was finally condemned and executed by the central military authorities. *The New York Times*, December 8, 1940.

which had taken place wholly outside the limits of the guerrilla bases, General Peng Teh-huai stated that, up to August 1939, the death toll of Eighth Route Army men and officers had reached 1,417.⁴⁷

In the winter of 1939-40, a succession of incidents in North China led to a minor crisis in Kuomintang-Communist relations. A protest telegram of January 23, 1940, signed by 19 of the Eighth Route Army's ranking commanders and addressed to the highest party and government officials at Chungking, indicated the seriousness of conditions at that time, in the middle of the war's third year.

The Eighth Army commanders were particularly aroused by a statement attributed to General Chen Cheng, director of the Political Training Board of the National Military Council, to the effect that the Eighth Route Army "merely roams about the country and does not strike at the enemy." Their telegraphic protest asserted that the Eighth Route and New Fourth Armies were currently engaging 17 of the 40 Japanese divisions in China, or two-fifths of the total. Eighth Army casualties had reached 100,000, while it had inflicted over 200,000 casualties on the enemy, capturing more than 20,000 men and 40,000 rifles. The Eighth Army was receiving \$600,000 monthly (in Chinese currency) for its 220,000 troops, averaging \$2.72 per soldier per month; inflation had reduced the real value of this amount to \$150,000, or 68 cents per soldier per month.⁴⁸

The telegram then listed a set of grievances. Districts of the Border Region had been seized and not restored. Special detective agencies had established offices along communication lines leading to the Border Region, making them hazardous for the Eighth Army. Agents of these offices kidnapped students bound for Yen-an, who then disappeared, and set rewards for the capture of Eighth Army men ranging from \$40 to \$300, according to the value of the prize. Programs, similar to the so-called "Procedure for Curbing the Activity of Alien Parties," had been circulated. Specific incidents in which the Communists had met with heavy losses were cited. In conclusion, the telegram invited General Chen Cheng to visit North China for a first-hand investigation, in order that "he may obtain a clear picture of the casualties suffered by the Eighth Route Army, the number of Japanese it has captured, the square miles of territory it has recovered, the number of battles it has

47. *Friction Aids Japan*, cited, pp. 18-19. An over-zealous special service officer once attempted to arrest General Peng Teh-huai himself.

48. A Chinese division of 15,000 was allotted \$200,000 monthly; the Eighth Army was receiving funds for three divisions. This covered merely soldiers' pay, not munitions and equipment.

fought, the number of times its rear has been disturbed and its communication lines interrupted, etc."⁴⁹ This invitation was not accepted.

During the spring and summer of 1940 a considerable improvement in Kuomintang-Communist relations took place. Negotiations on a number of issues, including an increase of three divisions for the Eighth Route Army, were being conducted.⁵⁰ At this time the military effectiveness of the Eighth Army in North China was strikingly demonstrated by the so-called "100 regiments' offensive" of August 1940.⁵¹ Within one week, the drive cut six railways and 15 highways, effected widespread demolition work, dislodged Japanese garrisons from 46 military bases, and captured some 2,000 rifles, more than 100 machine guns, 9 locomotives, 6 passenger trains, and 135 freight cars. Japanese losses were set at 6,000 killed, and 129 prisoners. In addition to 105 regiments of Eighth Army regulars, or more than 100,000 troops, several hundred thousand guerrillas were engaged in the coordinated offensive which covered the larger part of North China.

Less than two months later, the order of October 19 for transfer of the New Fourth Army to North China ushered in the most critical period in Kuomintang-Communist relations since the war began.

THE FOURTH ROUTE ARMY CRISIS

The rôle played in the lower Yangtze Valley by the Fourth Army, commonly called the New Fourth in memory of a famous unit of the 1925-27 period, has been similar to that of the Eighth Route Army in North China. In some respects, its military problems have been even more difficult. It was originally formed of various Communist detachments in the south-central provinces, left behind when the "Long March" began in 1934. Several months were required merely to assemble these scattered forces after the National Military Council decided, on October 2, 1937, to reconstitute them under a single command. General Yeh Ting, an officer in the old Fourth Army, was appointed commander of the new force, with General Hsiang Ying, leader of the scattered Communist units in the south, as deputy commander. In February 1938 Generalissimo Chiang Kai-shek ordered the New Fourth Army to concentrate in the lower Yangtze Valley; by April the transfer had been completed, and the army was ordered into

action. Three detachments were assigned operating areas south of the Yangtze River, while one detachment was assigned to an area north of the river in Anhwei province.⁵²

The task confronting the New Fourth was so onerous that few leaders in the high command could have foreseen its ultimate successes. At the outset, it consisted of 13,000 troops, or barely one division, poorly armed and equipped. It received central funds of \$130,000 monthly, but little munitions or equipment. Japanese military and naval forces dominated the local terrain, which was split by the Yangtze River and crisscrossed by railway lines. Remnants of disorganized Chinese troops, some of whom had degenerated into outright bandits, terrorized the countryside. Despite these obstacles, the Fourth Army swiftly achieved substantial gains. During the May-November period of 1938, while still engaged in suppressing bandit forces and organizing the local population, it fought 231 battles, inflicting 3,253 casualties on the Japanese and losing only 243 killed and 421 wounded.⁵³

This modest beginning inaugurated the real phase of expansion, which occurred in 1939-40. By the latter year Fourth Army regulars numbered 100,000 men, while supporting guerrilla forces reached several hundred thousand. Between Nanking and Wuhu—a distance of 130 miles—the Japanese had found it necessary to station two full divisions.⁵⁴ During this period, the New Fourth had received 15 congratulatory citations from Generalissimo Chiang Kai-shek and other members of the Chinese high command.⁵⁵

The New Fourth Army's gradual reoccupation of considerable sections of the lower Yangtze Valley was nevertheless viewed with concern by some of the leading Kuomintang officials. As in North China, friction, incidents, and finally armed conflicts developed. Here, too, some of the most serious clashes were with the forces of minor and unreliable commanders. In July-October 1940 heavy battles were fought between Fourth Army units and forces of Li Chang-kiang, commander of the 89th Army; in February 1941 the latter deserted to the Japanese and became commander of the First Army Corps of Wang Ching-wei's puppet troops.⁵⁶ Clashes also occurred at this time between Fourth Army detachments and forces commanded by

49. *Friction Aids Japan*, cited, pp. 27-34.

50. These negotiations broke down when the Fourth Army crisis developed.

51. *The New York Times*, August 24, 26, 30, 1940; for a detailed account, see *News Release* (Chungking, The China Information Committee), September 16, 1940, pp. 642-43.

52. "The New Fourth Army's First Year," by General Yeh Ting, in *The Eighth Route and New Fourth Armies* (Chungking, New China Information Committee, 1939), p. 29.

53. *Ibid.*, p. 17.

54. *Far East Bulletin*, cited, October 15, 1940, p. 1.

55. *China Defence League Newsletter*, cited, April 1, 1941, p. 2.

56. *Far East Bulletin*, cited, March 15, 1941, p. 4; *The New York Times*, February 21, 1941.

General Han Te-chun, acting Governor of Kiangsu province, and General Li Ming-yang.

Meanwhile, at Chungking, a crisis had arisen in the protracted Kuomintang-Communist negotiations, under way since the spring of 1940. On October 19, 1940 General Ho Ying-chin, War Minister and Chief-of-Staff, abruptly ordered the Fourth Army to move north of the Yellow River within one month, i.e., to evacuate completely all its guerrilla bases on both sides of the Yangtze River. This order, issued by a high command on which the Communist leaders had no representation, meant the complete destruction of the bases which the New Fourth had painfully constructed through more than two years of intense fighting. General Ho Ying-chin's telegraphic order, running counter to citations received but a few months earlier, accused the New Fourth Army "of not staying within its assigned area, of expanding its forces without permission, of disobeying the orders of the Central Government, and of launching unprovoked attacks on friendly armies."⁵⁷

Replying on November 9, the commanders and vice-commanders of the Eighth Route and New Fourth Armies, denied General Ho Ying-chin's charges and asserted, on the contrary, that the Fourth Army had been repeatedly attacked by Li Ming-yang's and Han Te-chun's troops. They pointed out that the troops of the New Fourth, largely recruited from the local districts, could not operate effectively elsewhere. They offered, however, to remove the Fourth Army units stationed south of the Yangtze River to the north bank, and since they held the order to be dictated by political rather than military considerations, suggested that the New Fourth issue should form one item in a comprehensive settlement of Kuomintang-Communist differences. Early in December General Ho Ying-chin reiterated the original order, requiring complete withdrawal north of the Yellow River, but extended the time limit to the end of January.

On December 7 Generals Yeh Ting and Hsiang Ying telegraphed their willingness to transfer all Fourth Army units north of the Yangtze River, but specified that the Fourth Army should first receive its unpaid monthly allowance (suspended in September 1940), supplies of munitions (suspended in March 1940) and winter uniforms, and guarantees against attack by "friendly armies" while effecting the dangerous crossing of the Yangtze River, strategic areas of which were now guarded by Japanese troops.⁵⁸

By the end of December, after some requests of the Fourth Army commanders had been granted,⁵⁹

the bulk of the New Fourth units had succeeded in effecting crossings to the north bank of the Yangtze.⁶⁰ A small headquarters and rear-guard detachment of less than 10,000 men, including the Fourth Army's commanders, medical units, nurses and wounded, with only about 4,000 able-bodied troops, was the last to seek a crossing. This unit followed a line of march decided upon in conjunction with General Ku Chu-tung, the Third War Zone Commander. On January 6, after entering a long mountainous defile near a town called Maolin, this rear-guard unit was attacked by nearly 80,000 Chinese troops, which occupied the mountain heights and rapidly closed the defile at both ends.⁶¹ The attacking forces were under the command of General Shankuan Yun-hsiang, acting under orders of General Ku Chu-tung, the War Zone Commander who had helped to fix the line of march. The ensuing battle lasted eight days, until the evening of January 13, when the Fourth Army unit ran out of ammunition. The detachment suffered at least 4,000 casualties, more than 2,000 were taken prisoner, while less than 2,000 succeeded in fighting their way out. Generals Yeh Ting and Hsiang Ying were wounded; Yeh Ting was placed under arrest, while Hsiang Ying disappeared.⁶² Estimates of casualties suffered by the attacking central troops ranged from 20,000 to 30,000.

At Chungking the central military authorities accepted General Ku Chu-tung's charges that the Fourth Route Army had "lengthily prepared for revolt" in order to extend the territory under its control. The War Zone Commander's "stern action" was approved, and General Ku Chu-tung was cited for his "successful suppression" of the "rebels." On January 17 the National Military Council decreed the dissolution of the Fourth Route Army and announced that General Yeh Ting had been imprisoned and was awaiting court-martial for his part in the "revolt."⁶³ The Council's decision left some 90,000 Fourth Route

59. Arrears in the Fourth Army's allowance were paid, but munitions and supplies were not given. When requests for ammunition replenishment went unanswered, General Yeh Ting tendered his resignation on November 27, but it was not accepted. General Hsiang Ying's request that he be allowed to report on the situation in person at Chungking was also denied. *Far East Bulletin*, February 1, 1941, p. 2.

60. Not all passed safely. In November a small group of about 400 people, including women and children who were members of New Fourth officers' families, were exterminated by Chinese troops under General Li Ping-hsien, the Governor of Anhwei province, as they crossed the Yangtze at Wuwei. *Ibid.*, p. 2.

61. For details, see *New York Herald Tribune*, January 22, 1941; *Far East Bulletin*, cited, February 1, 1941, pp. 1-4; *China Defence League Newsletter*, cited, February 15, 1941, pp. 2-3.

62. Some reports stated that Hsiang Ying was captured and executed.

63. *The New York Times*, January 18, 1941.

57. *Christian Science Monitor*, January 21, 1941.

58. For these telegraphic exchanges, see *ibid.*, January 21, 1941.

Army troops, located in areas north of the Yangtze River, without legal standing, central financial support, or officially recognized commanders.

In response to these actions, the Chinese Communist party immediately reconstituted its Central Revolutionary Military Committee at Yen-an—a move which indicated the gravity of the political crisis. For the first time since 1937, when the Committee passed out of existence, there were two formally established rival powers in China. The new Committee's first act, on January 20, was to appoint General Chen Yi as acting commander of the New Fourth Army, with General Chang Yung-yi as vice-commander. These officers were "strictly ordered to reorganize their troops, . . . strengthen and enlarge the national anti-Japanese front, . . . while always guarding against the sudden attack of the pro-Japanese elements."⁶⁴ The wording of this order suggested that the Communist leaders still hoped for a settlement. This was made even clearer by a circular telegram, offering twelve conditions for reestablishment of cooperation, which was issued from Yen-an on January 22. The telegram contained these blunt sentences: "We, the Chinese Communist Party, value unity and cooperation very much, but the other party must also value them. To speak frankly, there is a limit to our policy of concession, and now the stage of concession is over. They gave the first blow and we suffer from a grievous wound. If they think of their future, they should heal the wound which they themselves inflicted upon us. . . . If the above twelve conditions are realized, everything will be settled." The twelve points ran as follows:⁶⁵

1. Immediate cessation of all intrigues that lead to civil war.
2. Revocation of the order to disband the New Fourth Army, with an open apology.
3. Release of Yeh Ting and his reappointment as Commander of the New Fourth Army.
4. Return of prisoners and captured arms taken by central troops from the Fourth Army at Maolin.
5. Compensation to families of the dead and wounded soldiers of the Fourth Army at Maolin.
6. Withdrawal of troops in central China which have been sent to fight the Fourth Army.
7. Abolition of the blockade against the Border Region in the northwest.
8. Punishment of those directly responsible for the Maolin Incident, namely, Ho Ying-chin, Ku Chung-tung, and Shankuan Yun-hsiang.
9. Immediate release of political prisoners through-

out the nation, including Chang Hsueh-liang and Yang Hu-chen.⁶⁶

10. Abolition of the one-party dictatorship, and improvement of the administrative structure on democratic principles.
11. Realization of Sun Yat-sen's Three People's Principles, and the carrying out of his Will.
12. Arrest and trial of the leaders of pro-Japanese cliques.

At this critical period, opportune developments on the war front helped to lessen the acute political tension. On January 25 Chou En-lai submitted the twelve points to an Executive Committee member of the Kuomintang for transmission to General Chiang Kai-shek.⁶⁷ North of the Yangtze River, a large-scale civil war seemed imminent.⁶⁸ Some 200,000 central troops were moving to surround the Fourth Army units, while the Eighth Route Army had sent detachments from Shantung to assist the latter. The Japanese command chose this moment to launch an offensive against the strongest central divisions, including the forces commanded by General Tang En-po, hero of Taierh-chuang, that were moving to dislodge the Fourth Army. A severe two-weeks' battle, fiercely fought by the Chinese central troops, ensued in southern Honan. On January 31 Fourth Army units, after a swift concentration effected under their new commander, Chen Yi, launched heavy attacks on the Japanese rear, materially helping to crush the offensive. A commander of central troops engaged in the battle reported this action to General Chiang Kai-shek, who was said to have been impressed by the Fourth Army's attitude.⁶⁹ By early February Kuomintang-Communist tension had slightly eased. On February 1 General Chiang Kai-shek interviewed Chou En-lai, and on the following day the Generalissimo commissioned General Yeh Chien-ying, the Eighth Route Army representative in Chungking, to fly to Yen-an, indicating that negotiations were taking place.⁷⁰

At the first session of the second People's Political Council, held in Chungking on March 1-10, 1941, further important developments in the Kuomintang-Communist crisis occurred. The seven Communist members of the new Council, enlarged to 240 members of which half (instead of one-third) were now from the Kuomintang, absented themselves from the session. On March 2 these

66. Leaders responsible for Chiang Kai-shek's detention at Sian in December 1936, held in "protective custody" throughout the war.

67. *Far East Bulletin*, cited, February 15, 1941. The Executive Committee member, Chang Chung, was the Kuomintang's chief representative in the "united front" negotiations of 1937.

68. *Christian Science Monitor*, January 21, 1941.

69. *China Defence League Newsletter*, cited, February 15, 1941, p. 3.

70. *Far East Bulletin*, cited, February 15, 1941, p. 6.

64. From the Committee's order of January 20, 1941. *Documents On Kuomintang-Communist Crisis* (Hongkong, January 1941), p. 1.

65. *Ibid.*, p. 3; see also *Far East Bulletin*, cited, February 15, 1941, p. 6.

seven sent a joint telegram to the Council Secretariat, listing twelve points on which agreement was necessary before they would accept a proffered invitation to attend the meetings.⁷¹ The Council's session was highlighted by an uncompromising speech on Kuomintang-Communist relations delivered March 6 by General Chiang Kai-shek. After likening the Communist points "to the demands made by the Japanese before the Lukou-chiao Incident," the Generalissimo firmly declared that there could be "but one source of command" in the army, which necessarily had to "suppress disobedient and rebellious troops." The government, he stated, intended "to democratize the national political system," but could not be expected to "recognize the existence of anomalous political organizations" such as those established in the guerrilla areas. With regard to inter-party affairs, the government had no intention of engaging in a "campaign for the suppression of the Communists," although it had "to punish and check insubordination" in the national interest. The concluding sentences of the address were somewhat more conciliatory, ending with an appeal to the Communist members of the Council to renew "their contribution to national solidarity."⁷² On March 10, moreover, Tung Pi-wu, a Communist member of the People's Political Council, was appointed one of the 25 members of its Interim Committee.⁷³

The unfavorable signs outweighed the favorable, however, and the political situation continued critical throughout March and April. Toward the end of March, a further concentration of central troops took place in the northwest, on the frontiers of the Border Region. Early in April General Ho Ying-chin, the War Minister, flew north to Sian; on April 7 he summoned the leading Kuomintang generals in the north to a conference at Lintung, where plans for a general offensive against the Border Region and the Eighth Route Army were considered. Several of the northern commanders, including Generals Wei Li-huang, Hu Tsung-nan and Tang En-po, objected to such a drastic move, which would have precipitated large-scale civil war.⁷⁴

Two weeks later, the Japanese command

launched a general offensive in southeast Shansi, directed mainly against the Chinese central troops under General Wei Li-huang in the Chungtiao mountains. In 1938-39 the Eighth Route Army and Wei Li-huang's forces had decisively repulsed Japanese drives in this sector, but in 1940 a new demarcation of operating areas by the Chin River had moved the Eighth Army further north out of the Chungtiao region.⁷⁵ The Japanese commanders' pointed failure to include the Eighth Route Army in the scope of the April-May 1941 drive suggested that they were deliberately seeking to fan existing Chinese political antagonisms—a conclusion supported by a series of *Domei* news reports alleging that the Eighth Army was remaining quiescent. Tokyo may have also hoped that the Eighth Army would stop fighting as a result of the Soviet-Japanese neutrality pact of April 13.⁷⁶ After some Chinese questioning of the Eighth Route Army's military activity at this time, however, featured by an editorial in the Chungking *Ta Kung Pao* to which Chou En-lai replied,⁷⁷ it became evident that, despite existing political differences, the Communist military units in Shansi, Hopei and Suiyuan were launching heavy attacks on Japan's lines of communication. In two weeks of severe fighting, the Eighth Route Army was reported to have cut four major railways in North China, including the Peiping-Hankow, Peiping-Kalgan, and Tatung-Puchow lines.⁷⁸

CAN UNITY BE MAINTAINED?

Renewal of Kuomintang-Communist cooperation on the field of battle against the Japanese invader in North China should contribute, if only in part, to an easing of the acute political tension which has gripped China since last January. At the same time, no illusions can be entertained regarding the prospect of an easy or rapid solution of the present crisis. Apart from the ideological cleavage, which runs very deep, there has been an accumulation of unsettled questions since 1938, climaxed by the bitter feelings aroused over the Maolin Incident. A comparison of Yen-an's proposed conditions for the settlement of Kuomintang-Communist differences with the statement made by General Chiang Kai-shek before the People's Po-

71. This set added several new conditions for cooperation, including "recognition of the local anti-Japanese democratic governments" in the guerrilla areas. *Ibid.*, March 15, 1941, p. 2; also March 1, 1941, pp. 1-5.

72. For text, see "Generalissimo Chiang's Speech on the Communist Question" (Chungking, The China Information Committee, 1941).

73. *The New York Times*, March 11, 1941.

74. For details, see *Christian Science Monitor*, May 22, 1941; *Far East Bulletin*, cited, April 15, 1941, p. 6; May 1, 1941, pp. 3-4.

75. See statement by Chou En-lai, *The New York Times*, May 19, 1941.

76. For text of the Chinese Communist party's official statement of its position on the pact, see *Amerasia*, May 1941, pp. 113-14.

77. For texts of this exchange, see *ibid.*, June 1941, pp. 167-71.

78. *The New York Times*, June 2, 5, 1941. The fourth line, not specifically named, was undoubtedly the east-west Chengting-Taiyuan railway, which connects Hopei with Shansi. Several Japanese garrisons were annihilated, with considerable equipment and prisoners captured.

litical Council indicates the extent of the split between the two parties. Five major issues require adjustment.

1. *The New Fourth Army.* This remains the burning issue, whose settlement would help most to lessen the existing antagonisms. The attitudes of both sides toward the Maolin Incident seem essentially irreconcilable. The Kuomintang leadership regards the affair as purely one of military discipline—a “stern act” made necessary because of recalcitrance in the face of repeated military orders. This attitude tends to ignore the basic political conditions involved in the problem. From the point of view of the Communist leaders, the original order was essentially inimical and unjust, depriving the Fourth Army of an operational base wrested from Japanese control by nearly three years of military struggle, while the climax at Maolin appears as a treacherous ambush. The present situation of the Fourth Army is equally difficult. In the opinion of the central military authorities, the unit has been formally disbanded and is presumably subject to punitive suppression. The Communist leaders have challenged this action by appointing new commanders and demanding redress of their grievances. Meanwhile, as a further complication, the Fourth Army has continued to oppose Japan on the battlefield. Unless some arrangement can be reached to reestablish the legal standing of a unit which has had a distinguished military record, it will continue to represent a source of friction and possible conflict.

2. *Operating Areas.* In many respects, this is the crux of the whole Kuomintang-Communist relationship during the war period. Conflict or co-operation turns largely on settlement of this issue. The Communist leaders point to the fact that original operating areas were formally assigned them by the central command, usually by General Chiang Kai-shek himself. After successfully winning back large sections of these areas, and organizing them as effective bases of resistance, the Communists now find themselves confronted with orders to withdraw from whole regions (the lower Yangtze Valley in the case of the New Fourth) or to narrow their zones. Since the guerrilla bases and the military units form two parts of a single whole, both suffer from an enforced severance and the war effort is correspondingly handicapped. The Kuomintang, on the other hand, views the Communist military successes, especially in this guerrilla base form, as the entrenchment of a rival political power over larger and larger sections of China. The immediate struggle, therefore, involves a Kuomintang effort to reduce the original Eighth Route and Fourth Army operating areas, squeez-

ing these forces into a narrower territory, while the Communist leaders oppose this action. The solution would be a new agreement, carefully demarcating the Eighth Route and New Fourth operating areas, with full public acknowledgment and formal acceptance by both sides. Once such an agreement was reached, ancillary questions involving the size of the Eighth Route and New Fourth Armies, the number of divisions receiving central financial support, and the status of the guerrilla troops, could be settled more easily.

3. *Guerrilla Base Governments.* Since the problem of guerrilla base governments is closely tied in with the question of operating areas, its solution would be facilitated by prior settlement of that issue. In the opinion of the Communist leaders, the new local governments are democratic, anti-Japanese, “united front” institutions. While this is substantially correct so far as representation is concerned, the fact is that the guerrilla base governments remain under Communist direction. From the point of view of the Kuomintang, the guerrilla base governments represent an *imperium in imperio*, since they are not subject to national jurisdiction or staffed by recognized authorities. General Chiang termed them “anomalous political organizations.” It is exceedingly difficult to bridge the gap on this issue. The Communist leaders seek legal recognition of the new local governments, while the Kuomintang authorities are unwilling to accept anything short of full assertion of their political authority. Unless the former can be assured of more adequate representation in the central government, they are likely to cling to their political control in the guerrilla base localities.

4. *The Border Region.* Two major issues, political and military, affect the Shensi-Kansu-Ninghsia Border Region. The Communist leaders demand formal recognition of the Border Government’s legal status which, they claim, was pledged during the “united front” negotiations. Available evidence indicates that this claim is accurate, thus placing the demand on a stronger basis than the similar request for recognition of the guerrilla base governments. To the Kuomintang, however, this is again a case of *imperium in imperio*, and action is therefore postponed. More serious is the military problem involved in the central government’s armed blockade of the Border Region which diverts central troops from the war fronts and exerts a constant threat on the Eighth Army’s rear, thus reducing the effectiveness of both forces against the invader.

5. *Inter-Party Relations.* This problem involves an immediate issue of unity and integration at the

center, as well as the broader question of establishing a national democratic régime and a bill of rights. The existing political crisis has halted progress toward the latter objective. Increased Kuomintang-Communist tension has led to a considerable withdrawal of civil liberties granted earlier in the war. This tension also impedes the practical task of securing greater working unity at the center, which would materially facilitate a settlement of all issues:

Most observers, viewing the problem as a whole, believe that establishment of an authoritative inter-party organ for continuous consultation and adjustment of issues as they arise would constitute the best practical contribution to long-term unity. If it could be formed, it would offer a favorable opportunity to break the existing deadlock and make a fresh start. In order to be effective, this new central organ would have to contain Executive Committee leaders of the Kuomintang who possess both responsibility and authority. The mediatorial influence of some of the middle-of-the-road Kuomintang veterans, such as Yen Hsi-shan and Feng Yu-hsiang, would also be invaluable on such a committee. The Communist choices would presumably be Chou En-lai and Yeh Chien-ying, who have already had considerable liaison experience. The chairman would have to be Chiang Kai-shek himself, or some one deputed by him.

Unless a bold forward step of this kind is taken, it is feared that the existing differences may become more instead of less serious as time goes on. The danger of an open split, followed by widespread civil war, will continue to exist. Such a result would be disastrous. It would probably range at least 400,000 Eighth Route and Fourth Army troops against 500,000, or even more, central troops.

The prosecution of civil war on this scale would gravely prejudice the chances of China's success in the war with Japan. Under existing world conditions, it would also seriously affect the interests of the United States, which has a large and increasingly important stake in the Sino-Japanese conflict. American responsibility is enhanced by the fact that the growing supplies of munitions now being sent to Chungking from the United States may be devoted to internal, as well as external, warfare. Maintenance of unity in China has become an imperative necessity, both in the interest of the United States and of China's national self-preservation.

While the task of strengthening Chinese unity presents a formidable challenge, there are certain favorable aspects to the situation which should not be overlooked. The responsible leaders of China, both Kuomintang and Communist, recognize the calamity that an open break would represent and have consistently sought to reach adjustments of even the most difficult issues. These two parties, moreover, are not all-powerful, despite the importance which necessarily attaches to their actions and policies. Their decisions must be guided with reference to the opinions and sentiments of the great mass of the Chinese people, who are not members of either party. In 1936-37 Chinese public opinion was influential in calling a halt to civil strife and establishing a common front against the external danger. Competent observers agree that the experiences of the past four years have confirmed the Chinese people in their determination to continue an unyielding struggle until victory is won. As in the pre-war period, this determination constitutes a powerful force working toward the maintenance and consolidation of internal unity.